

## **Keeping people out of nursing homes For 22,000 Medicaid patients, Maryland is seeking less expensive and more compassionate programs**

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Sun reporter  
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It took a wheelchair ramp to get Floyd Hartley out of a nursing home.

And a stair glider. And a special mattress.

In all, the state's Medicaid program, which doesn't normally pay those kinds of expenses, shelled out about \$6,200. The modifications allowed Hartley, now 52, to move in with his mother and sister in a neat East Baltimore rowhouse.

The state program also pays \$22,500 a year for a personal care aide and the same amount to Hartley's sister to watch over him several hours a day - costs Medicaid doesn't usually bear.

That's still cheaper than keeping Harley in a nursing home, which in Maryland costs \$60,000 a year and up.

Hartley is one of about 400 disabled people enrolled in a pilot program designed to get people out of nursing homes. A similar pilot program for the elderly is capped at 2,800.

Now Maryland is moving to broadly expand its efforts to move patients and dollars from nursing homes to home care, assisted living, adult day care, group homes and other home and community-based programs.

The reason is compelling: Maryland Medicaid already spends almost as much on 22,000 nursing home residents - more than \$800 million a year - as it does to provide full health insurance to 400,000 adults and children.

With a growing older population and rising health costs, the state's nursing home tab - which has more than doubled in a decade - is bound to increase.

The initiative, called CommunityChoice, promises to reshape the way the state cares for tens of thousands of frail elderly and people with disabilities.

"We hope to create new kinds and levels of care we don't have now, to give more or better care in home or in home-like settings," said S. Anthony McCann, secretary of the state's Department of Health and Mental Hygiene (DHMH). "In general, it's the right thing to do, to give options to the patient," McCann said. And, he noted, "it's cost-effective."

The state's application is pending for a waiver of federal Medicaid rules, which generally don't allow community care. The new program likely wouldn't begin for at least a year.

"This is the treasure trove for the [health] department," said M. Gayle Hafner, a staff attorney for the Maryland Disabilities Law Center. "They have been paying maybe \$80,000 a year for people to be in a facility where they don't want to be."

Most of the projected savings from CommunityChoice wouldn't come from moving people out of nursing homes - the state expects most who are there to stay. Rather, it expects to cut costs by keeping future Floyd Hartleys in the community longer or out of nursing homes altogether.

Advocates for the elderly and people with disabilities strongly support the movement to community care. Yet they are watching warily to see how the care will be managed.

McCann's plan calls for HMO-like private companies, called community care organizations, or CCOs, to be paid a flat fee per patient to make sure patients receive the appropriate care.

#### Concern of advocates

The advocates worry that the organizations could push patients to lower-cost programs to save money.

"We oppose [managed care] for people in nursing homes," said Kate Ricks, chairwoman of Voices for Quality Care, an organization of people with relatives in nursing homes that has been active in the planning of CommunityChoice.

"Our concern is that it's already very difficult getting care when you just have the nursing home and the Medicaid rules to deal with. Now, when someone has to go to the hospital, the nursing home has to call the insurance company."

McCann promises the state will monitor the community care organizations vigorously. "One of the places we want to go is to be far more sensitive to the issue of quality of care and of progress," he said. "We will be doing far more to measure, keep data in more detail."

It's even possible, the secretary said, that the state health department will modify its plans to create some form of "individual incentives" as an alternative to community care organizations. "I don't want to predict there will be," he said, "but I don't want to predict there won't be."

Besides the lingering issues over care management, experts say community care isn't a guarantee of cost effectiveness.

The cost of a nursing home in Maryland is running roughly \$170 a day versus about \$70 for medical adult day care.

The savings are clear for those for whom day care is sufficient. But for patients who need round-the-clock nursing attention, for example, the cost would be higher in the community than in a nursing home.

Experts also worry about the community care organizations introducing another layer of expense, and about what many call "the woodwork effect" - people now being cared for at home by families coming "out of the woodwork" to get state-paid community care.

Susan Tucker, executive director of the state health department's office of health services, said the pilot programs involving Hartley and 3,200 other elderly and disabled cost less per person than nursing home care.

But because of the woodwork effect, it's not clear the Medicaid program saved anything, she said.

Other states are looking to community care as a way to rein in Medicaid budgets that are growing much faster than revenue.

Based on the experience with Maryland's pilot programs and those in other states, McCann and other experts don't expect community care organizations to move large numbers of frail elderly and people with disabilities out of nursing homes. For that reason, the state projects no savings at all for the first five years.

'People sense'

But, over time, it hopes to save money largely by sustaining people longer in the community before they reach the point of institutional care. By the 10th year, the state projects saving an average of \$1,000 per person a year on its care for 72,000 elderly and disabled. That's a savings of only 2.5 percent - but on a care bill (covering other medical costs in addition to nursing homes) projected at nearly \$3 billion annually, that amounts to \$72 million a year.

"It makes financial sense, and it makes people sense," said Joseph DeMattos, director of AARP Maryland. "You are able to maximize your resources. And where choice is really important is that it's less disruptive to families."

Many agree that the elderly prefer in-home care.

"Most of the seniors I know would rather stay home if they possibly can," said Clare Whitbeck, legislative chair for United Seniors of Maryland. "Most of us would rather have somebody come in and help a little, and still be the decision-maker."

Hartley has no doubt that his move was right for him and his family. He was an athlete in high school, but rheumatoid arthritis, an infection and a series of surgeries - hip, elbow and spine - left him with very limited mobility. Without financial resources of his own, his only option was a nursing home, where he spent three years.

"You feel like you're a piece of trash," he said. "You feel like you're being thrown away. You feel like, 'My life's stopping right now.'"

Now, living with his sister, Denise Hartley, and his mother, Marie Hartley, he feels his life has been restored. He is able to see his friends and family more - watching his nephew play football, attending a cookout at his brother's house, where he used a portable wheelchair ramp.

become active in a church, as he was before his surgeries. And he's become an advocate, attending meetings and testifying at hearings on deinstitutionalizing people with disabilities. He even traveled recently to Oklahoma - accompanied by his state-paid care aide - to attend a four-day conference on disability rights.

"If a person can be in their home and get resources, they should be at home, there's no question about that," he declared. "You can have the best nursing home, but a person's mentality is best suited for them to be home."

Many advocates for the disabled and elderly agree. But while alternatives such

as assisted living, personal care aides and adult day care won favor with those who could afford them, they remained out of reach for most Medicaid beneficiaries.

Then early last year, Nelson J. Sabatini, then state health secretary, began floating the idea of seeking a broad waiver from the federal government to allow community care organizations to handle about 50,000 elderly and 22,000 people with disabilities. The state has had a more limited waiver, for the developmentally disabled, for two decades.

"We've got to go to families and say, 'What services do you need to bring grandma home?' " Sabatini said then.

But Sabatini ran into opposition. Nursing homes feared they'd lose business, and advocacy groups feared grannies who needed full-time care would be pushed out. In response, a nervous legislature overrode a veto by Gov. Robert L. Ehrlich Jr. to impose limits.

The legislation allowed pilot programs in two areas of the state rather than statewide and barred community care organizations from negotiating lower rates than nursing homes and adult day-care programs now paid under a state formula. The Ehrlich administration said the new rules would reduce potential savings, but redrew its plans to comply with the law.

Officials have yet to select the pilot programs' areas of operation, but the health department expects to include about half the state.

"I think it's worth doing," McCann said. But, he added, "I'm not at all clear what's going to happen."

Federal officials have shown they're willing to approve community-care waivers, but they may want some changes in Maryland's plan, and that could push some issues back to the legislature. If the waiver is approved, the state will have to write more detailed regulations.

While there are several years of experience with small waivers for community care in many states, most didn't involve HMO-type entities. "Managed long-term care is not something we know a lot about," said Judith Solomon, a senior fellow at the Center on Budget and Policy Priorities, a Washington think tank.

#### 'Different ballpark'

As states begin to consider large-scale waiver programs, "we're in a different ballpark," said Stephen McConnell, senior vice president for advocacy and public policy for the Alzheimer's Association.

Advocates nationally say there isn't enough data to draw overall conclusions about whether care is better under such programs, although they say their worst fears haven't been realized.

"Are we seeing states taking action that results in people being left in the street? The answer is no," said McConnell.

While the future is somewhat uncertain, potential community care organizations and the nursing home industry are gearing up for the change.

"We're already contracting with adult day care, personal care providers, assisted living, even a group of physicians that do house calls," said Mark Puente, chief executive officer of Amerigroup Maryland, a company that plans to become a CCO when CommunityChoice begins. Amerigroup already is performing a similar function in HealthChoice, the Medicaid program that serves mostly low- and moderate-income children.

A trade association, Health Facilities Association of Maryland, will seek legislative and regulatory changes that will allow nursing homes to more easily operate community-care programs or to switch their beds between nursing care and assisted living, said the association's president, Stephen J. Allen.

While more community-based programs would keep some people out of nursing homes, he expects no problem keeping beds filled as the population ages.

"There will probably have to be more nursing home beds, simply because you've got 75 million baby boomers coming," said Allen, who also is chief executive of Xavier Health Care Services Inc., which operates four nursing homes in Maryland.

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